

Planning for Organizational Success

EDD Strategic Plan 2007-2011



February 2007

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*EDD Strategic Plan
2007-2011*

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I am pleased to present the Employment Development Department's Strategic Business Plan for the period 2007 through 2011.

To be effective, organizations must be clear about their objectives, aware of their resources and responsive to a dynamic environment. To this end, we view Strategic Planning as an essential component of our business.

Strategic Planning prepares the organization to respond to changes in the environment in which it operates. It is an essential activity to ensure that everyone in our organization is working toward the same goals, and to measure and modify the organization's direction in response to this changing environment. By identifying organizational, rather than programmatic, goals and objectives, and more importantly, prioritizing these goals and objectives, we can make the difficult decisions about what is most important to achieving organizational success.

In the sections that follow we describe the critical issues and challenges we face as we anticipate the environment projected in this Strategic Plan. While California's current economic picture is healthy, changes in the size and diversity of the state's population, advances in technology and the evolving needs and preferences of our customers present us with new challenges related to the efficient provision of services.

Our ability to meet these challenges is not without constraints. Our Department's workforce is aging and the majority of our most experience staff who hold institutional knowledge is transitioning to well-earned retirement. The technology that supports our programs and enables our services to be delivered efficiently and effectively is outdated, redundant, and difficult to maintain.

In addition, the federal funding streams that support many of our programs continue to decrease. Conflicting funding priorities of military and homeland security needs versus domestic spending will continue to place competing demands on existing federal dollars.

Our ability to deliver consistent and quality services to our customers will be dependent, in part, on finding new and innovative ways to meet our challenges and maximize our existing resources.

We present this Strategic Business plan to help our employees, customers and interested parties understand our priorities, opportunities and challenges. This Plan provides a roadmap for the actions we will take over the next several years to meet these challenges and take advantage of these opportunities.

A handwritten signature in black ink that reads "Patrick W. Henning". The signature is fluid and cursive, with a large, stylized initial 'P'.

Patrick W. Henning
Director

Employment Development Department (EDD) Programs and Services

The California Employment Development Department (EDD) offers a wide variety of services to millions of Californians under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD also handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers. One of the largest departments in state government, EDD has over 8,000 employees providing services at more than 220 locations throughout the state. See Appendix A for an overview of EDD's Program Service Outcomes.

Employment Development Department Vision

The Employment Development Department will be universally recognized for its outstanding customer service and will be considered a model for public agency quality and fairness.

Employment Development Department Mission

The Employment Development Department promotes California's economic growth by providing services to keep employers, employees, and job seekers competitive. Following federal and state laws with fairness and equity, and ensuring fiscal integrity, we:

- Operate the State's employment service – connecting employers with job seekers;
- Act as an economic stabilizer through the administration of the Unemployment Insurance program;
- Provide prompt and accurate services that enable taxpayers to easily report data and meet their tax responsibilities;
- Minimize the financial impact of non-occupational disabilities through the administration of the Disability Insurance program;
- Provide partial wage replacement when workers must care for a seriously ill family member or bond with a new minor child;
- Encourage self-sufficiency in the current and future workforce;
- Serve as the central source for information on California's labor market ;
- Plan, deploy, and manage technology to improve our business processes and access to our services.

In implementing the initiatives to meet our Strategic Planning goals, we will be guided by the following principles that are based on our organization's values:



- We are open and honest in communication with our customers and ourselves;
- We are customer focused, seeking input from our customers and being responsive to their needs;
- We are collaborative and believe in partnerships, both internally and externally, to maximize resources and the delivery of services to our customers;
- We treat everyone with respect, dignity and equity;
- We are stewards of the public trust and administer the programs entrusted to us in an equitable, impartial and conscientious manner;
- We are fiscally responsible and accountable for the decisions and expenditures we make;
- We value our staff and invest in their growth and development.



Summary

Economists and futurists agree that over the next several years, California faces significant changes that will affect the programs and services administered by the Employment Development Department.

A growing, more ethnically diverse population will increase overall demand for services and at the same time demand more flexible ways to access those services. Employment opportunities statewide will increase due to growth in the total number of jobs in specific industries, but an expanding labor force is not expected to keep pace with the number of workers needed to meet this demand or the educational and skill levels necessary to meet the occupational requirements of these expanding industries. Although immigrants, a large portion of the population in California, will not all be similarly affected, they and their offspring may experience a disproportionate effect.

The increasing discrepancy between the skill level of available workers in the state and the demands of the expanding industry sectors may encourage employers to shift investments or relocate jobs to other states or to foreign countries. At the same time, an aging population in the state (and the nation) will tighten labor markets while placing competing demands on federal funding available to support EDD's programs. Worldwide, the aging population in industrialized countries may influence the amount of foreign capital available for business investment in United States and California markets. This could have a significant effect on the economy of California and increase demand on the income support and workforce development programs administered by the Department.

Although unemployment rates are not projected to significantly increase over the next several years, this forecast is subject to downside risk given ongoing increases in energy prices, declines in the real estate market, rising health care and corporate pension costs, and ongoing budget and trade deficits. California's Unemployment Fund reserves may not be sufficient to sustain benefits during an economic downturn and current service delivery systems will need to be improved to accommodate a potentially increasing claimant base.

While the Department must contend with changing demographic and economic variables, EDD's programs and services will also be challenged by an unpredictable and potentially volatile fiscal future. In light of ongoing defense related expenditures, competition for federal domestic discretionary funding will continue to be keen while at the state level much of California's income (and income taxes) are concentrated at the upper end of the economic spectrum, making the revenue of the state extremely sensitive to the income of these individuals.

See Appendix B for detailed data on:

- Population and demographic changes,
- Economic and employment factors,
- Education and job training challenges, and,
- Economic and financial outlooks.



The following section contains EDD's five Strategic Goals and twelve Strategies designed to help the organization meet those Goals. We recognize the importance of all the strategies if EDD is to fulfill its mission and have prioritized the list to arrive at a manageable number of strategies to work on over the next 24 -48 months. The priority strategies are those that we will undertake in the short-term. The remaining strategies will be completed during the subsequent planning period or as time allows. Attachment C provides a description of the projects that support our short-term strategies.

GOAL I:

Improve access to services and information through the use of information technology and partnerships.

Given the projected increase in California's overall population and EDD's client base as well as the competing demands on existing federal and state funding streams supporting EDD's programs and services, we must find ways to optimize the efficient delivery of services.

Strategies:

Short-term

- Cultivate and establish a minimum of three new strategic federal, state and or local partnerships to improve service delivery by 2008.

Long-term

- Provide seamless access to EDD automated services through any public system by 2012.
- Design and build five automated systems that maximize staff productivity and customer self-help in order to provide improved client services by 2010.

GOAL II:

Develop an integrated approach across EDD to improve customer satisfaction with EDD services.

With an increasingly diverse customer population we must reach out to our customers and stakeholders to assess their level of satisfaction with our current services. We must use this information to identify the need for alternative service options and incorporate customer feedback into our processes for making business decisions.

Strategies:

Short-term

- Clearly identify our customers, determine customer overlaps across programs, and define customer needs by December 2007.

Long-term

- Review progress and institute an on-going evaluation process that would provide for continuous customer input by 2008.

GOAL III:

Improve business processes to enhance results and reduce costs.

Competing priorities for funding at the state and federal levels as well as increasing overhead costs for staff demand that we identify ways to reduce our operating costs, allowing us to support and expand the delivery of needed services. We must find ways to enhance partnerships across programs to maximize the returns on our investments for the organization and increase our efficiency through process improvement.

Strategies:

Short-term

- Define common business practices across programs, identify overlapping costs and develop solutions that can be shared or reused to support service delivery options by January 2008.

Long-term

- Identify methods and develop a plan to reduce or contain enterprise infrastructure costs by December 2007 (infrastructure=physical plant, equipment, overhead, support entities, and IT infrastructure not including applications).

GOAL IV: Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

Our organization is not immune to the impending departure from the workforce of the “Baby Boomer” generation. As the most knowledgeable of our staff transition to well-earned retirement, we must invest in the recruitment of a new generation of employees as well as provide opportunities and training for existing staff in order to ensure stability in our business processes and maintain critical institutional knowledge.

Strategies:

Short-term

- Establish a process and related activities to help attract, recruit, develop and retain diverse, qualified staff and leaders by July 2007.

Long-term

- Continuously improve staff capacity by encouraging continued education and instituting an evaluation and future planning process.

GOAL V: Ensure the integrity of EDD’s programs, services and information assets.

An environment in which an increasing demand for services coincides with increasing competition for the funds that support the services cannot be allowed to erode program integrity. We must continue to improve and implement processes that enforce the equitable and accurate collection of taxes, the accurate payment of benefits and the collection of reliable information to ensure payment accuracy. Additionally, our customers must be able to rely on our pledge that the personal information we require them to submit as a condition of doing business with us, will remain protected and confidential.

Strategies:

Short-term

- Assess the existing protection of assets from loss, unauthorized access, misuse and disclosure and implement a plan based on risk mitigation by January 2008.

Long-term

- Improve EDD’s detection of internal and external fraud across all programs by 2011.
- Evaluate the accuracy and reliability of EDD data/information assets by 2011.



EDD's Strategic Plan will be updated and re-issued in four year cycles. The governance of the plan is the responsibility of the EDD Deputy Directors. EDD Director's Office staff will assist with the plan preparation and coordination, and the EDD Program Branches have primary responsibility for updating the projects and initiatives in the Plan.

For the current planning cycle, implementation of the 2007 - 2011 Strategic Plan will be coordinated by the EDD Deputy Director's at their regular monthly meetings. The following action items will be included in the agenda:

- Assignment of project teams for Department priority projects;
- Direction to project leads to present implementation plans at Deputy Meetings;
- Discussion and decisions regarding resource requirements for the five priority areas;
- Agreement on timeframes for status reports at regular intervals; Development and dissemination of status tracking report; and,
- Development of a Strategic Plan update process in the fall of every other year.



Appendices



EDD PROGRAM SERVICE OUTCOMES

The EDD budget for State Fiscal year 2005-2006 was \$10.7 billion of which \$21 million was State General Funds

During SFY 2005-2006 EDD:

- posted over 2 million job openings and received over 7 million accesses in CalJOBS, an automated labor exchange system;
- collected over \$31 billion in personal income taxes and \$9 billion in employment taxes;
- processed over 700,000 Disability Insurance claims and paid more than \$3.54 billion in benefits to California workers with non-industrial injuries;
- processed over 2 million initial Unemployment Insurance claims and paid more than \$4.3 billion in benefits to California workers unemployed through no fault of their own;
- processed over 160,000 Paid Family Leave claims and paid almost \$350 million in benefits to California workers who needed time off to care for an ill family member or bond with a new minor child.



MAJOR CHALLENGES AND OPPORTUNITIES

I. Population and Demographic Changes

Population Growth

While California's relative growth in overall population means an increase in the available workforce, baseline increases in California's population will also present workload and service challenges as our customers increase in number.

- While total population gains in the next two decades are projected to be large in Coastal California, Inland California will experience the fastest growth rates. (1)
- California's total population will increase over 37 percent from 33 million plus to over 46 million between 2000 and 2030 while the percentage of the total population over 65 years of age will increase by over 130 percent (4.7 million) during this same period. (2)

Population Diversity

Increased diversity in California's population will require changes in the skills and competencies of EDD's workforce. Customer service needs will dictate additional language fluency in EDD staff, as well as a greater understanding and appreciation of different cultures and customer preferences.

- California has one of the largest immigrant populations of all the states. Immigrants make up 27% of the state's population as compared to a national rate of 12%. (3)
- California will continue to see an increase in immigration. By 2025, 30% of the residents in the state will be foreign born. Latino and Asian populations will grow, while the white population will likely decline. (4)
- The California Department of Finance projections suggest that Latinos will become the single largest racial/ethnic group in the state by 2021 and will constitute a majority of the state's population by 2040. (5)

Aging Population

As the number of individuals age 65 and older increases, the demographic structure of the economy will shift. The transition of “Baby Boomers” out of the economy may cause tighter labor markets unless offset by higher productivity or increased labor force participation by older individuals and immigrants.

- Californians age 65 and older are projected to be the fastest growing age group between 2000 and 2020. By 2030 the number of seniors will double and one in every six Californians will be over 65. (5)
- Despite the feasibility of work at older ages, Americans have been retiring at younger and younger ages. A scarcity of experienced labor could induce greater labor force participation. One natural response to population aging will almost surely be for a more fit elderly population to increase their participation in the labor force. (6)

II. Economic and Employment Factors

Unemployment Rates and Funding

Unemployment rates are a critical indicator of the health of the economy and have a direct impact on EDD programs and services. While California’s fiscal reserves to fund Unemployment Insurance benefits are currently projected to be sufficient to meet short term demand, they have fallen significantly below what is considered sufficient to avoid insolvency should the economy falter.

- Nationally, unemployment rates will rise slightly from the current 5.1% to 5.2% through 2016. (7)
- In California, the unemployment rate is projected to be in line with national averages through 2008, but dip slightly below the national rate, averaging 4.7% from 2012 through 2016. (8)
- Although recent economic improvement means that a short-term crisis has been averted, the current UI financing system cannot be sustained over multiple economic cycles of expansion and contraction. The federal government believes that a prudent reserve for the UI fund would be in excess of \$8 billion, an amount that is unachievable under the current financing system. (9)
- The UI Fund balance was \$1.3 billion at the end of 2005. The UI Fund is projected to have a balance of \$2.4 billion at the end of 2006, and \$3.0 billion at the end of 2007. While a UI Fund balance of \$2.4 billion appears to be substantial, it may not be sufficient if an economic downturn occurs. Depending on the severity of an economic downturn, the combination of increased UI benefit payments and reduced UI contributions could result in the UI Fund becoming insolvent again, even with a year-end UI Fund balance of \$2.4 billion. (10)

Job Growth and Industry Sectors

Expansion and contraction in the total number of jobs, the specific industries and occupations projected to increase, as well as the skill needs of these occupations are important to the strategic planning of EDD's workforce and income support programs.

- The twelve fastest growing occupations in the country are technology based and/or tied to the health care industry. (11)
- Over the period 2004-2014, total employment in California is expected to grow at an average annual rate of 1.6%. This growth will add over 2.6 million new jobs and bring California employment to approximately 19 million by 2014. (123)
- In California, more than 70 percent of the job growth from 2004 to 2014 will be concentrated in five major industry sectors: professional and business services, education and health services, government, retail trade, and leisure and hospitality. (13)
- The long term outlook for the number of job openings by education and training reflects employers' need for a wide range of trained workers. About 22% of all job openings forecasted through 2014 will require a bachelor's degree or higher. (13)

Globalization

A declining number of skilled workers in specialized industries, most requiring higher education, opens up opportunities for foreign workers coming to this country and/or the outsourcing of jobs to other countries. Continued shifts in U.S. employer investments or job relocation to foreign countries could have a significant effect on the economy of the United States and California and increase demand in the income support and workforce development programs administered by the Department.

- Jobs requiring unskilled labor are likely to continue moving to developing countries and this transfer may increase foreign direct investment by U.S. firms. (6)
- It is estimated that U. S. firms outsource about 300,000 jobs a year, but foreign companies employ directly at least 6 million workers in the United States according to the Department of Commerce. (14)
- The faster aging rates in Europe and Japan may also directly affect investment and hence the growth of labor productivity here in the United States. If savings rates in these countries decline, global capital flows to the United States that have contributed significantly in recent years to financing domestic investment are likely to decline. (6)

III. Education and Job Training Challenges

California must be responsive to the demands of employers for a skilled workforce. Increasing demand for highly educated workers will coincide with the transition from the labor market of the experienced and educated “Baby Boomer” generation and the continued influx of a significant immigrant population. While California’s relative growth in overall population means an increase in the available workforce, if California fails to provide a workforce with the skill and educational levels employers require, the state’s industry and occupational sectors projected to grow in the coming years may be affected.

- Unlike jobs a half-century ago, today most positions that pay family-supporting wages and offer opportunities for advancement demand strong academic and technical skills, technological proficiency, and some education beyond high school. (15)
- The academic skills demanded by many entry-level jobs today are at a higher level than the academic skills required for postsecondary education. The reading requirements for today’s entry level job are higher than they are for state tests or college according to the International Center for Leadership in Education’s evaluation of on-the-job reading material. (16)
- The ability of immigrants (in California) to acquire experience and the ability of their children to acquire a good education, including college education, will play a large role in determining the economic and fiscal impact of immigration in the state and nation. (17)
- The share of working-age adults in California without some credential of high school completion has been about 20% since the late 1970s. (18)
- Of adults in California who have not completed high school, 72 percent are immigrants. In addition many low-educated U.S. born adults are second generation immigrants. Among U.S. born adults in California who have not finished high school, 27 percent have at least one foreign-born parent. (19)
- Hispanics from Mexico and Central America is the demographic group with the lowest level of education. Among those in California, 62 percent of men and 63 percent of women have not completed high school. (19)
- Among foreign-born Californians, over 55 percent had literacy skills in the lowest level of proficiency, compared to 13-16 percent of U.S. born residents. The evidence shows immigrants make up the bulk of the population in need of remedial or basic adult education in California. Adult education is likely the only way to improve basic education for this population because 81 percent of adult immigrants who have not completed high school arrived at age 18 or older. (19)
- Although educational attainment is expected to improve for all major racial and ethnic groups in California, and the share of the population with a bachelor’s degree will increase from 28% to 33%, this will not meet the projected employment demand for a college educated workforce. (20)

- U.S.-born Hispanics, particularly those of Mexican descent, have consistently lower high school and college completion rates than do African Americans, Asians or whites. Educational attainment is perhaps the most important indicator of lifetime economic opportunities. Higher education is associated with lower unemployment, higher wages, higher family income and better health. Parental education is associated with better health, enriched development and greater educational opportunities for children. Across these measures, Hispanics fare far worse than any other group. (4)
- With Latinos on the verge of becoming the largest single population group in the state, these patterns portray a major challenge to the sustainability of California's economic competitiveness and the promise of social mobility. (18)

IV. Economic and Financial Outlook

Levels of Federal Funding

Continuous decreases in funding and rescissions present ongoing program planning and budgeting challenges to California in the provision of job training and employment services. Conflicting funding priorities of military and homeland security needs versus domestic spending will continue to place competing demands on existing federal dollars.

- The aging of the population in the United States will have significant effect on our fiscal situation. In particular it makes our Social Security and Medicare program unsustainable in the long run. (6)
- Over the longer term, the aging of the U.S. population combined with rapidly rising health care costs will put significant strains on the federal budget. Under the assumptions in the Congressional Budget Office baseline, Social Security, Medicare and Medicaid together will account for 56% of all federal spending by 2016. (7)
- Assuming that various tax increases occur as scheduled and that discretionary spending grows at the rate of inflation, the federal budget deficit will decrease, essentially reaching balance in 2012. However, beyond 2007, the pace of economic growth will slow, coinciding with a deceleration in the expansion of the labor force linked to the retirement of the baby-boom generation. Spending for Social Security, Medicare and Medicaid will exert pressures in the budget that economic growth alone is unlikely to alleviate. A substantial reduction in the growth of spending and perhaps a sizable increase in taxes as a share of the economy will be necessary for fiscal stability to be at all likely in the coming decades. (7)
- Since the initial appropriation for the Workforce Investment Act (WIA) in 2000-01, the amount appropriated by the Federal Budget for WIA has been decreasing for each of the last six program years; the decrease in California is \$212.6 million or over 30 percent.

- Since 2000-01, the amount appropriated by the Federal Budget for the Wagner-Peyser program has decreased over the past six program years; the decrease in California over this period of time has been \$8.1 million or 9.2 percent.

State Funding

California faces a continued structural budget gap between mandated expenditures and projected revenues. Additionally, much of the state's income taxes are paid by a minority of the state's residents. Any significant increase in state spending without a commensurate increase in taxes or any significant decrease in the taxes paid by the upper income earners in the state could significantly affect the level of state funding available for EDD's programs and services.

- California's 2004 median household income, the income where half of all households earned more and half earned less, was \$49,894. The median income for all California personal income taxpayers was \$32,242 in 2003, the most recent year for which data are available. The 2003 median income of married taxpayers filing joint returns was \$58,653. (24)
- The Franchise Tax Board received 380,075 full year resident, 2003 taxable year returns with reported Adjusted Gross Income (AGI) of \$200,000 or more. This volume represented 2.8% of all returns filed and 27.4% of the \$762.5 billion in total California AGI. (21)
- Total tax liability to California was \$30.4 billion for taxable year 2003. The top one (1) percent of returns accounted for 38.8% of all tax liability. The top five (5) percent paid 61% of all tax. (21)
- Based on current projections of revenues and expenditures under the 2006-07 Budget Act policies, the state would continue to face operating shortfalls in the range of \$4.5 billion to \$5 billion in 2007-08 and 2008-09. (22)
- California has benefited greatly from over \$11 billion in unanticipated increases in state revenues. Yet, due to its allocation of these funds, the 2006-07 Governor's Budget would still leave the state with large structural budget shortfalls and an enormous amount of outstanding financial obligations. (23)

End Notes

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EDD SHORT-TERM PRIORITY PROJECTS

Goal I

Improve access to services and information through the use of information technology and partnerships.

Project Name: *Unemployment Insurance Modernization (UIMOD)*

This project will implement Voice over Internet Protocol (VoIP) and Service Oriented Architecture (SOA) which allows customers to have greater and faster access to EDD services and information. The UIMOD project replaces the existing telephonic platform allowing for new automation for claimants requesting information about their claims and allows more efficient routing of calls. This project also allows for claimant electronic certification that will greatly reduce the manual processing and inefficiencies associated with paper continued claims.

Project Name: *Web-Based Claim Filing (WBCF)*

The WBCF Project will implement a new, more user-friendly claim filing system for Unemployment Insurance (UI) staff. This new system will improve issue detection and decrease fraud, improve the quality of information collected, decrease improper payments, and reduce training time for newly hired staff. The WBCF system is an important component of California's requirements to meet federal mandates for benefit payment timeliness, as well as fraud and overpayment detection.

The WBCF Project uses technology to improve the UI claim filing process, incorporating anti-fraud items, reducing the time spent on more routines activities, improving consistency, and collecting additional information needed for UI payment, UI adjudication, reporting and auditing processes.

Project Name: *Automated Collection Enhancement System (ACES)*

The ACES project will improve customer access by providing self-help services and automate collection processes that will maximize productivity and increase revenue. The ACES Project provides the Labor and Workforce Development Agency (LWDA) with an opportunity to leverage automated collection processes and new technology services across departments for the collection of penalties and back-wages that are due to the Department of Industrial Relations.

Project Name: *California Tax Service Center Website (CTSC)*

CTSC is an all-inclusive Web site that provides tax information for users unfamiliar with federal, state and local taxes, tax agencies and tax forms. The project redesign effort and the Web site itself are supported by the Fed/State partnership that includes the Employment Development Department, Franchise Tax Board, Board of Equalization, and Internal Revenue Service. The project will provide individuals and businesses an on-line, seamless presentation of and access to California's tax-related information and services at the state and federal level.

Project Name: *Disability Insurance Automation Project, Phase 3 (DIAP3)*

DIAP3 will provide an avenue through the Internet for clients, medical providers, and employers to interact with Disability Insurance (DI) Branch staff in the process of providing benefits to eligible workers. The new system will almost entirely eliminate the need for keying new claims into the system and significantly reduce costs associated with filing, storage, and retention of paper documents. New business logic will be developed to make automated determinations on “in pattern” claims to reduce the volume of claims requiring review by DI Branch staff.

Goal II: Develop an integrated approach across EDD to improve customer satisfaction with EDD services.

Project Name: *EDD Customer Identification*

The purpose of this project is to identify EDD’s external customers, services, and products from a Department perspective. The Program Review Branch (PRB) will employ data identification, collection and analysis methodologies that will provide information regarding customer demographics, service needs, and satisfaction with service delivery methods currently in use by all programs in EDD. PRB will coordinate efforts among and between program branches to accomplish this task.

Goal III: Improve business processes to enhance results and reduce costs.

Project Name: *Common Program Business Practices*

This project will identify common business processes for reuse between Branches. Outcomes will include a governance model for continuing this project, and development of how the business process models will be maintained. This project will focus on taking a broad view of EDD services, defining what business services have a broader impact beyond one program delivery area.

An initial work group will identify those services which are pervasive among the projects specified in Goal 1, Strategy 1 and develop a strategy and recommendation for how implementation approaches may change in order to maximize reuse between programs.

Goal IV: Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

Project Name: *EDD Succession Plan*

In 2005, EDD began an effort to prepare a comprehensive Succession Plan that would ensure adequate managerial and key staff resources would be available to fill vacancies now and in the near future. California State Government anticipates growing numbers of service retirements as Baby Boomers leave key positions in departments. EDD recognized the need for a plan to address these potential vacancies, and the human resources systems that support the maintenance of a vital, trained, competitive workforce.

Goal V: Ensure the integrity of EDD's programs, services and information assets.

Project Name: *Business and Enterprise-wide Information Technology (IT) Risk Assessment*

The project is a broad-based enterprise risk assessment that will focus on both business and IT information assets. EDD must stay in compliance with the State Administrative Manual mandate to perform annual certification of risk to our information assets. This effort will assist EDD identify information security weaknesses, vulnerabilities and security risks.

PRIORITY PROJECT TIMELINE

The following chart presents the Department's priority projects in a timeline. Dates are approximate and subject to adjustment.

Projects	2006/2007				2007/2008				2008/2009				2009/2010			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
UI Modernization																
Web-Based Claim Filing																
ACES																
DI Automation Phase 3																
CA Tax Service Center Website																
EDD Customer Identification																
Common Business Practices																
EDD Succession Planning																
Information Assets Assessment																



TECHNOLOGY OVERVIEW

The Information Technology Branch (ITB) is supporting the Department's strategic goals ensuring information technology resources are refined to support improved operations and support the five major automation projects that will redefine client service delivery.

To prepare for the major automation efforts that will redefine department services within the next five years ITB is focused on the following major efforts:

- Standardize the infrastructure supporting EDD programs resulting in common infrastructure (PCs and servers) that support both field and central office operations;
- Leverage statewide infrastructure initiatives and services to minimize the total cost and time required for project implementations;
- Ensure major new IT requirements are reflected in department and statewide initiatives for call center platform migration and its requisite infrastructure (Voice over Internet Protocol—VoIP) to support EDD across UI, DI and Tax Branch program initiatives;
- Develop and implement a comprehensive information architecture managing data collection, reporting and analytics supporting the major automation projects, fraud detection and program analysis (e.g. impact of legislation, tax collection efforts, fraud detection, etc.);
- Establish through key interdepartmental work groups the business and technology justifications and implementation plans for significant gaps in department and/or statewide initiatives required for significant automation enhancements (i.e. identity management, data and telephony convergence, security, and call center management);
- Refine current governance processes for supporting the definition and subsequent development of business services for reuse within the department beyond a single program (ultimately developing reusable IT components with a Service Oriented Architecture for the most critical and redundant department processes); and
- Focus on workforce and succession planning to provide the internal IT resources required for these significant automation efforts.

While the above efforts are underway, they represent significant changes to our current business practices. We will focus on: defining reusable services between programs; evaluate the impact based on the pervasiveness of these services within the department; and then assess the impact on the five major automation projects planned for implementation over the next several years.

Once the initial assessment is complete, processes, technology and implementations will be leveraged across programs to provide common interfaces to customers (i.e. claim filing and employer registration).



State of California
Arnold Schwarznegger, Governor

Labor and Workforce Development Agency
Victoria L. Bradshaw, Secretary

Employment Development Department
Patrick W. Henning, Director



EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

